



PROPOSED RULE MAKING (RCW 34.05.320)

**CR-102 (7/22/01)
Do NOT use for expedited
rule making**

Agency: Department of Agriculture

X Preproposal Statement of Inquiry was filed as WSR 03-12-086; or
☐ Expedited Rule Making -- Proposed notice was filed as WSR _____; or
☐ Proposal is exempt under RCW 34.05.310(4).

X Original Notice
☐ Supplemental Notice
to WSR _____
☐ Continuance of WSR _____

(a) Title of rule: (Describe Subject) WAC 16-237-170 Emergency Storage Situation

Purpose: The department's proposed rule amendments implement Chapter 13, Laws of 2003 (HB 1101), which amended RCW 22.09.660. The proposed amendments to WAC 16-237-170:

- Extend the time period from 30 to 120 days that grain covered by negotiable receipts can be forwarded during emergency storage situations without canceling or reissuing the negotiable receipt. The 120-day time period aligns the department's rule with USDA requirements under the Uniform Grain and Rice Storage Agreement.
- Allow for possible extensions of the 120-day time period. Again, this aligns the department rule with USDA requirements.
- Require written permission from the depositor and/or the holder of the warehouse receipt before the grain is shipped.
- Rewrite WAC 16-237-170 according to clear rule writing principles that comply with the "clarity" criteria in Executive Order 97-02.

Other identifying information: None

(b) Statutory authority for adoption: Chapter 13, Laws of 2003 (HB 1101), RCW 22.09.020(13) and chapter 34.05 RCW	Statute being implemented: Chapter 13, Laws of 2003 (HB 1101) and RCW 22.09.020(13)
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(c) Summary: See "Purpose" above
Reasons supporting proposal: Amendments to WAC 16-237-170 are necessary in order to implement chapter 13, Laws of 2003 (HB 1101), which directs the department to establish, by rule, the period of time that grain, during emergency storage situations, can be forwarded for storage without canceling or reissuing the negotiable receipt. In addition to complying with HB 1101, the department's proposed amendments will align state requirements with the provisions of the Commodity Credit Corporation's Uniform Grain and Rice Storage Agreement. Also, the department believes that the proposed amendments may:

- Help warehouse operators rotate inventories to maintain quality and condition
- Prevent grain from being piled on the ground outside of storage facilities, and
- Reduce potential risk of loss to producers and depositors who store commodities in public licensed warehouses.

Finally, the proposed clearly written amendments will increase industry's ability to comply with the rule.

(d) Name of Agency Personnel Responsible for:	Office Location	Telephone
1. Drafting.....Don Michelbook	Spokane, WA	(509) 533-2488
2. Implementation...Don Michelbook	Spokane, WA	(509) 533-2488
3. Enforcement.....Don Michelbook	Spokane, WA	(509) 533-2488

(e) Name of proponent (person or organization): Washington State Department of Agriculture (WSDA)
☐ Private
☐ Public
☒ Governmental

(f) Agency comments or recommendations, if any, as to statutory language, implementation, enforcement and fiscal matters: None

(g) Is rule necessary because of:

Federal Law?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	If yes, ATTACH COPY OF TEXT Citation:
Federal Court Decision?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	
State Court Decision?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	

(h) HEARING LOCATION:
Spokane Agricultural Center
222 N Havana
Spokane, WA
Conference Room "B"

Date: August 28, 2003 Time: 1:30 p.m.

Assistance for persons with disabilities: Contact Laurie Crose
by August 20, 2003

TDD (360) 902-1996 or (360) 902-1976

Submit written comments to:
George Huffman
Washington State Department of Agriculture
PO Box 42560
Olympia, WA 98504-2560
FAX (360) 902-2092 By 5:00 p.m. August 28, 2003

DATE OF INTENDED ADOPTION: September 5, 2003

CODE REVISER USE ONLY

CODE REVISOR'S OFFICE
STATE OF WASHINGTON

FILED

July 18, 2003

Time: 11:31 AM

WSR 03-15-090

NAME (TYPE OR PRINT)

Robert W. Gore

SIGNATURE

TITLE

Assistant Director

DATE

July 18, 2003

(COMPLETE REVERSE SIDE)

(j) Short explanation of rule, its purpose, and anticipated effects:

The department's proposed rule amendments implement Chapter 13, Laws of 2003 (HB 1101), which amended RCW 22.09.660. The proposed amendments to WAC 16-237-170:

- Extend the time period from 30 to 120 days that grain covered by negotiable receipts can be forwarded during emergency storage situations without canceling or reissuing the negotiable receipt. The 120-day time period aligns the department's rule with USDA requirements under the Uniform Grain and Rice Storage Agreement.
- Allow for possible extensions of the 120-day time period. Again, this aligns the department rule with USDA requirements.
- Require written permission from the depositor and/or the holder of the warehouse receipt before the grain is shipped.
- Rewrite WAC 16-237-170 according to clear rule writing principles that comply with the "clarity" criteria in Executive Order 97-02.

Chapter 13, Laws of 2003 (HB 1101), directs the department to establish, by rule, the period of time that grain, during emergency storage situations, can be forwarded for storage without canceling or reissuing the negotiable receipt. In addition to complying with HB 1101, the department's proposed amendments will align state requirements with the provisions of the Commodity Credit Corporation's Uniform Grain and Rice Storage Agreement. Also, the department believes that the proposed amendments may:

- Help warehouse operators rotate inventories to maintain quality and condition
- Prevent grain from being piled on the ground outside of storage facilities, and
- Reduce potential risk of loss to producers and depositors who store commodities in public licensed warehouses.

Finally, the proposed clearly written amendments will increase industry's ability to comply with the rule.

Does proposal change existing rules? ☒ YES

☐ NO

If yes, describe changes:

The proposed amendments:

- Extend the time period from 30 to 120 days that grain covered by negotiable receipts can be forwarded during emergency storage situations without canceling or reissuing the negotiable receipt. The 120-day time period aligns the department's rule with USDA requirements under the Uniform Grain and Rice Storage Agreement.
- Allow for possible extensions of the 120-day time period. Again, this aligns the department rule with USDA requirements.
- Require written permission from the depositor and/or the holder of the warehouse receipt before the grain is shipped.
- Rewrite the rule section according to clear rule writing principles that comply with the "clarity" criteria in Executive Order 97-02.

(k) Has a small business economic impact statement been prepared under chapter 19.85 RCW?

☐ Yes. Attach copy of small business economic impact statement.

A copy of the statement may be obtained by writing to:

telephoning: ()

faxing: ()

☒ No. Explain why no statement was prepared

RCW 19.85.030(1)(a) requires that an agency must prepare a small business economic impact statement (SBEIS) for proposed rules that impose a more than minor cost on businesses in an industry. The proposed amendments to WAC 16-237-170 do not impose any new costs on businesses regulated by the rule. In fact, the department believes that the proposed amendments, especially the extension of the time period from 30 to 120 days, may enable regulated entities to operate more efficiently and, thereby, reduce their operating costs. For these reasons, a SBEIS is not required and has not been prepared.

(l) Does RCW 34.05.328 apply to this rule adoption? ☐ Yes ☒ No

Please explain: The Washington State Department of Agriculture is not a listed agency under RCW 34.05.328(5)(a)(i).